

RUSSIA AND THE WEST IN IRAN

Pressed by the Soviets and reluctant to admit the validity of the British concession, the Iranian government refused to recognize it. It stated that the title of 1896 could not be regarded as valid, having been granted by the Qajar dynasty; and since the Qajars were recklessly squandering the natural wealth of Iran, their harmful acts could not be binding upon the present Iranian government. As to the direct concession of 1916, it was not valid either, because, the government asserted, it was never ratified by the parliament and thus did not fulfill the requirements of Article 24 of the Constitution.

Moreover, the Iranians argued, the Soviet-Iranian Treaty of 1921 annulled all concessions previously granted to the tsarist government or Russian subjects; hence Khoshtaria's title was also canceled. The Anglo-Iranian replied that Khoshtaria was not a Russian subject but a citizen of the free Republic of Georgia and that, therefore, the provisions of the treaty did not apply to him. This was true, because Khoshtaria had, in the meantime, acquired Georgian citizenship.

The conquest of Georgia by Soviet Russia, which occurred in 1921, complicated again the problem of Khoshtaria's citizenship and made it difficult for the Anglo-Iranian to press this argument.

Besides these purely legal considerations, the Iranian government had other good reasons to oppose the British concession in the north. The first was the fear that the British would come into possession of all the natural wealth of Iran. The second was the desire to grant the concession to citizens or corporations of a more distant country less dangerous to the sovereignty of Iran. It was with this aim in mind that the government entered into

negotiations with the Standard Oil Company. They were conducted through the intermediary of Morgan Shuster, former American financial adviser to the Iranian government, and resulted in an authorization to grant a concession, voted by the Majlis on November 22, 1921. The concession was to be valid for fifty years, and the Iranian government had to receive without any expenses 50 per cent of the oil produced. The details of the concession would have to be worked out between the government and the company and ratified by the parliament. The fifth article of this agreement provided that the concession could not be ceded by the company to any third party. Even the adherence of a new capitalist to the company would have to be confirmed by the